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**\*OGC Has Reviewed\***

15 January 1952

MEMORANDUM FOR THE RECORD

Subject: Legislative Problems of the  
Psychological Strategy Board.

Reference: Memorandum dated 5 January 1952 from Mr.  
Charles Norberg, Office of Coordination,  
Psychological Strategy Board, to Mr. Houston,  
CIA General Counsel, Subject: Liaison with  
Congressmen.

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1. In response to their suggestion, Mr. Houston and Mr.  
Pforzheimer met with the Deputy Director of the PSB, [REDACTED]  
[REDACTED] of his staff on  
11 January 1952 to discuss their legislative problems.

2. The Board's legislative problems may be divided into  
three categories: (a) budget; (b) personnel; (c) substantive.

3. The Board is financed by equal contributions from the  
budgets of the State and Defense Departments and CIA (\$188,000  
apiece). [REDACTED] who serves as their administrative officer  
on detail from the State Department, considers it preferable for  
the Board to make one appearance before each Appropriation Com-  
mittee instead of defending its budget three times in each House;  
once before the State Appropriation Subcommittee, once before the  
Armed Services Appropriation Subcommittee, and once before the  
Subcommittee which hears CIA. [REDACTED] further stated his  
preference that the Board defend its entire budget before the same  
Subcommittee which hears the CIA budget. [REDACTED] attempted  
to pry to some extent into the manner in which CIA was financed and  
before whom we appeared to justify our budget, but we did not make  
this information available to him.

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4. The difficulty with the suggested PSB budgetary position is  
that CIA has eliminated all its own funds from the State Department  
budget and therefore there will be no representative of the State  
Department Appropriations Subcommittee on the special committee

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reviewing the CIA budget. However, with the State Department making a one-third contribution to the budgetary support of PSB, the State Department Appropriations Subcommittee will doubtless want information on the Board's activities, with the result that CIA activities in the psychological warfare field may be dragged into that Subcommittee. We have just succeeded in getting CIA clear of such subcommittees with the assistance of the Bureau of the Budget and our committee friends. From our point of view it would have been preferable to lump the PSB administrative budget openly as a part of the budget of the National Security Council, of which PSB might be considered an adjunct. This device would have had the advantage of bringing all of the PSB funds under the purview of the Armed Services Appropriations Subcommittee, and Chairman Mahon and Senator O'Mahoney could then have controlled the situation to a greater degree.

5. Insofar as Congressional personnel inquiries are concerned, PSB appears to receive very few of these and can consistently point out that it has a very small staff of high level specialists and is not in the recruiting field.

6. A major problem which the Board has not yet solved, and on which they seek guidance, is the question as to what information of a substantive or operational nature they should release to the Congress and to what members should such release be made. Probably inquiries of a substantive nature would come from three major sources. One source is the foreign affairs committees of the Congress who are interested in the problems of the Voice of America, over which the Board exercises some guidance. These Committees would also be interested in broad psychological strategy programs. One particular problem on which the Board's advice may possibly be sought will be during the hearings by the McMahon Subcommittee of the Senate Foreign Relations Committee on the Benton resolution for placing the State Department information programs in an independent agency. The second interested group would be the Armed Services Committees of the two houses which might have some interest, particularly in the Senate where the Senate Armed Services Committee has a joint responsibility with the Senate Foreign Relations Committee on the workings of the Mutual Security Agency and foreign military aid programs. The third group of problems include general questions in the field of psychological strategy which will be raised by various members of Congress who do not basically understand the problem

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or what is being done in the field and who tend to throw the term around rather loosely. Some of these queries will be bona fide, some will present problems of the scope of the Kersten amendment to the Mutual Security Act of 1951, and some will be of a needling or exploratory nature. In any event, the answers to many of these questions could involve operational information regarding the activities of the Central Intelligence Agency and therefore such questions should not be answered independently by the Board as it might serve to disclose certain covert CIA activities which we have gone to great lengths to maintain in a highly classified status.

7. Over and beyond these problems, Mr. Houston pointed out that there must be a firm determination as to the status of the Board, and whether it should be considered as a coordinating committee or as an independent agency. He further explained that Mr. Edwin L. Fisher, General Counsel of the General Accounting Office, is of the opinion that the Board is rapidly becoming an independent agency and had the characteristics of one; therefore, it would be necessary to secure some Congressional recognition of the Board either through the means of an enabling statute or at least a recognition of its existence through the means of appropriation of funds for its activities. A further question left unresolved was what would happen if a Congressional committee requested testimony on short notice on a given point. Should such testimony be given by the Board's Chairman or by the Board's Director? If it were to be given by the Board's Director, what would he be empowered to say? Would his position be circumscribed by the Board; or if not, would he be speaking as anything but a private citizen?

8. At the present time and pending further resolutions regarding the status of the Board, there appear to be three possible solutions to the PSB's legislative problem. The first solution would be to allow the Board to handle its legislative activities completely independently. This solution could lead to great difficulties as many of their answers could not be made without detailed clearance with CIA. The second solution would be to refer all legislative problems to the Chairman of the Board, under whose policy guidance they could be handled by the Legislative Counsel of CIA. This solution could well be temporary in nature pending a final determination on the position of the Director of PSB in the Government hierarchy. The present legislative work-load at PSB is so light that this solution would not unduly burden the Legislative Counsel at CIA until such time as the Board's status is finally

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determined. However, it should probably be considered a stop-gap measure until a third possibility is considered which should in all probability be the ultimate solution, namely, that PSB should have a man handling their own legislative affairs who must coordinate his work with the top legislative officers of the State and Defense Departments and the Legislative Counsel, CIA. In the event of any question arising which involves the disclosure of CIA activities, the decision as to the release of such information would rest with CIA.

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Lawrence R. Houston  
General Counsel

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Subject*

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